



King County

Metropolitan King County Council

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MANAGEMENT LETTER

DATE: December 7, 2012

TO: Metropolitan King County Councilmembers

FROM: Cheryle A. Broom, King County Auditor

SUBJECT: Follow-up on the Implementation of the 2010 Emergency Medical Services (EMS) Levy Financial and Compliance Audit Recommendations

This management letter describes the Emergency Medical Services (EMS) Division's progress in implementing the two recommendations presented in the auditor's office *2010 EMS Levy Financial and Compliance Audit*, published on September 7, 2011. The Executive Response to *2010 EMS Levy Audit* concurred with both of the report recommendations.

The EMS Division made progress in implementing one of the recommendations, and deferred implementation of the other recommendation until 2013 as discussed in Attachment 1. Consequently, we added a new recommendation that the EMS Division completely implement both of the original recommendations made in the *2010 EMS Levy Audit* by the end of 2013. We will follow up on all outstanding recommendations at that time.

Attachment 1 identifies the 2010 report recommendations, the original implementation plan provided in the Executive Response, updates to the implementation plan provided by the EMS Division, and our comments on the status of the recommendations.

Background

King County's Medic One/Emergency Medical Services (EMS) system provides internationally recognized out-of-hospital patient care to approximately two million residents throughout the county. The EMS system is funded principally by a voter-approved, six-year EMS Levy. The current EMS Levy is expected to provide an average of approximately \$63.5 million annually for countywide Advanced Life Support (ALS), Basic Life Support (BLS), regional services, and strategic initiatives (outside the City of Seattle).

Dispatch services are provided primarily by the North East King County Regional Public Safety Communication Agency (NORCOM) and Valley Communications (Valley Comm). Efficient and effective dispatch services are critical to the success of the EMS system, from Basic and

Advanced Life Support to the Telephone Referral System (NurseLine) and the Community Medical Technician pilot programs.

As part of the regional process to develop performance and productivity measures in 2013, the EMS Division plans to facilitate the development of meaningful performance measures for dispatch that reflect the important role dispatch agencies play in the regional EMS system. As discussed in the *2010 EMS Levy Audit*, timeliness is an important element when defining high performance for dispatch services. The implementation status of each of the two recommendations presented in the *2010 EMS Levy Financial and Compliance Audit* is summarized below.

EMS Division's Status in Implementing the 2010 EMS Levy Audit Recommendations

- 1a. The EMS Division, in collaboration with the dispatch agencies, should develop timeliness standards for EMS dispatch services.**
- 1b. The Division should also consider incentivizing the implementation of the productivity standards through the EMS Levy funded strategic initiatives or regional initiatives to promote ongoing compliance with the standards, and quarterly reporting of timely performance consistent with ALS Dispatch Performance Standards Strategic Initiative.**

Implementation Status: Estimated 20 percent complete; completion deferred to 2013.

The EMS Division began conversations with the regional partners about performance measures or standards for dispatch and other elements of the system in 2012 as part of the 2014-2019 EMS Levy planning process. The Division expects to focus these conversations further and develop dispatch performance measures as part of a collaborative regional EMS performance measures discussion process planned for 2013.

- 2a. The EMS Division should establish a communications protocol with NORCOM and Valley Comm to ensure a common understanding of the basis of the annual dispatch costs that are allocated to EMS providers and the annual cost per call.**

Implementation Status: 100 percent complete. NORCOM and Valley Comm are the two primary dispatch providers in King County for 911 police, fire, and EMS calls. Because NORCOM's policies did not provide full transparency in communicating the actual cost of dispatch services billed to ALS providers, the EMS Division focused on working with NORCOM to develop improvements in the transparency of dispatch invoice amounts attributable to ALS providers. In accordance with the new communications protocol, NORCOM now reports to the EMS Division on an annual basis how much it billed to each ALS provider for dispatch services. In addition, NORCOM now itemizes invoices provided to agencies that receive dispatch services to show rates charged for ALS and BLS calls.

The EMS Division had already established a communication protocol with Valley Comm. Further, the only ALS provider that receives dispatch service from Valley Comm is King County Medic One, which continues to provide itemized invoices directly to the EMS Division.

- 2b. The EMS Division and ALS providers should require additional documentation directly from the dispatch agencies that identifies both annual capital and operating dispatch costs; obtain itemized invoices from the dispatch agencies to clearly show expenses that are attributable to ALS and verify that reimbursement requests are justified based on the actual volume and costs of ALS dispatch services, and properly accounted for in ALS quarterly billings.**

Implementation Status: 60 percent complete. As mentioned above, NORCOM now provides detailed billing specifying ALS capital and operating dispatch costs, although the EMS Division continues to work with NORCOM to further increase the transparency of its billing system. The EMS Division is currently reviewing dispatch expenses billed to ALS providers and verifying that amounts billed by ALS providers to King County match amounts identified by NORCOM. The EMS Division continues to receive detailed ALS billing from Valley Comm through King County Medic One.

Currently, NORCOM and Valley Comm bill the EMS Division and local fire agencies for dispatch services on a per call basis. Valley Comm's rate per call is the same for both EMS and police dispatch services. NORCOM's rate per call for EMS dispatch services is higher than the rate per call for police dispatch services. A reimbursement rate based on actual call processing times for call takers and dispatchers to respond to various types of EMS and police calls would promote full transparency of the services received and the cost billed for those services. Valley Comm currently collects call processing time data, but NORCOM says it does not yet have that ability. We recommended that the EMS Division request that Valley Comm provide detailed call processing data and NORCOM collect and provide call processing data to the EMS Division and review the data in relation to the reimbursement costs by the end of 2013.

- 2c. The EMS Division should regularly review dispatch invoices received by ALS providers to verify that the actual amounts billed are consistent with the dispatch services received, and use this information as part of the dispatch reserve analysis.**

Implementation Status: 80 percent complete. The EMS Division is in the process of verifying that amounts billed for ALS dispatch services are consistent with the services received. It has completed an analysis of the dispatch reserve fund, which was established and approved by the Council at the end of 2010 to ensure funds were available for higher than anticipated dispatch services costs.

Conclusion

In summary, the EMS Division has made progress in implementing one of the recommendations from the 2010 EMS Levy Financial and Compliance Audit. Although the Division largely deferred implementing the first recommendation on performance measures for dispatch services by two years, it identified a phased approach utilizing the already established regional process to complete implementation by the end of 2013. The EMS Division partially implemented the second recommendation on clarifying and verifying ALS dispatch costs.

Recommendation

To emphasize the importance of the 2010 recommendations, we recommend that EMS fully implement both audit recommendations by the end of 2013.

We will follow up on the status of all recommendations again by the end of 2013 and revisit whether NORCOM's new Computer Aided Dispatch (CAD) system can provide the same data on call processing times (receipt of call to dispatch) as Valley Comm already collects. That would allow for greater transparency in dispatch cost structure than the call volumes currently being used for billing. We also plan to review the equity of dispatch costs at NORCOM and Valley Comm to ensure that EMS levy funds spent on dispatch services are appropriate.

If you have any questions regarding this follow-up on the implementation status of the recommendations, please contact Laina Poon or me at 296-1655. Thank you.

CB:LP:

Attachment

cc: Fred Jarrett, Deputy County Executive
Rhonda Berry, Assistant Deputy County Executive
David Fleming, Director, Department of Public Health – Seattle & King County (DPH)
Dwight Dively, Director, Office of Performance, Strategy and Budget (PSB)
Jonathan Swift, Deputy Director, PSB
Ben Leifer, Chief Administrative Officer, DPH
Jim Fogarty, Division Director, Emergency Medical Services, DPH
Caroline McShane, Assistant Division Director, Finance & Business Operations,
Department of Executive Services

ATTACHMENT 1

2011 Audit Recommendations	Agency Position	Schedule for Implementation	EMS Comments	Auditor's Office Comments on Implementation Status
<p>1a. The EMS Division, in collaboration with the dispatch agencies, should develop timeliness standards for EMS dispatch services.</p> <p>1b. The Division should also consider incentivizing the implementation of the productivity standards through the EMS Levy funded strategic initiatives or regional initiatives to promote ongoing compliance with the standards, and quarterly reporting of timely performance consistent with ALS Dispatch Performance Standards Strategic Initiative discussed above.</p>	Concur	<p>ORIGINAL: Review local and national standards currently implemented and potential additional standards in 2011; consider the productivity incentive recommendation; report results in EMS Division 2012 Annual Report to King County Council due by September 1.</p> <p>UPDATED: In 2013, review local and national standards currently implemented and potential additional standards as part of the regional EMS performance measures discussion; consider the productivity incentive recommendation as part of the review process for updating the Dispatch Performance Standards; report results in EMS Division Annual Reports to King County Council. The EMS Division hopes to collect baseline data on these standards starting in 2014.</p>	<p>UPDATED: As part of the 2014-2019 EMS levy implementation, the EMS Division will work with regional stakeholders, including dispatch agencies, to establish acceptable performance standards, including timeliness, if appropriate; and a reporting schedule. In addition, the EMS Division will consider the productivity incentive recommendation as part of the review process for updating the Dispatch Performance Standards for the 2014-2019 levy period.</p>	<p>This recommendation is outstanding. The EMS Division plans to develop timeliness and productivity standards in consultation with its regional partners as part of the regional performance measures development process in 2013.</p> <p>In considering timeliness and productivity standards, the EMS Division should strive to utilize data on call processing times to evaluate dispatch costs for ALS, TRP, CMT, and any other applicable programs.</p>
<p>2a. The EMS Division should establish a communications protocol with NORCOM and Valley Com to ensure a common understanding of the basis of the annual dispatch costs that are allocated to EMS providers and the annual cost per call.</p>	Concur	<p>ORIGINAL: Work collaboratively with dispatch and EMS agencies to review the current cost methodology, invoice practices, and opportunities to better clarify costs; develop potential new invoice practices and/or ways of clearly communicating costs with dispatch</p>	<p>UPDATED: The EMS Division worked with NORCOM to develop a common understanding of dispatch invoice amounts attributable to Advanced Life Support (ALS) providers. Agencies are using the amounts from NORCOM for their invoices. KCM1 submittals based on actual invoices from Valley Comm.</p>	<p>Recommendation 2a is complete, provided that the communication channels established will enable EMS to receive notification of any future organizational changes in dispatch that would impact ALS operating costs.</p>

2011 Audit Recommendations	Agency Position	Schedule for Implementation	EMS Comments	Auditor's Office Comments on Implementation Status
<p>2b. In addition, the EMS Division and ALS Providers should require additional documentation directly from the dispatch agencies that identifies both annual capital and operating dispatch costs; obtain itemized invoices from the dispatch agencies to clearly show expenses that are attributable to ALS and verify that reimbursement requests are justified based on the actual volume and costs of ALS dispatch services, and properly accounted for in ALS quarterly billings.</p> <p>2c. The EMS Division should regularly review dispatch invoices received by ALS providers to verify that the actual amounts billed are consistent with the dispatch services received, and use this information as part of the dispatch reserve analysis.</p>		<p>agencies in 2012; develop schedule with providers for invoice review beginning 2012 and beyond; report results in EMS Division 2012 Annual Report to King County Council due by September 1.</p>	<p>NORCOM continues to cost ALS calls at .5 call (charging 50% of call to BLS and 50% to ALS); Valley Comm continues to charge 1.0 call per agency. If different agencies go on the call (ex. KCM1 and a BLS agency), both agencies are charged for a full call. The cost per ALS call is similar between the two systems.</p> <p>EMS staff will review dispatch invoiced amounts for NORCOM agencies against the worksheet provided by NORCOM.</p> <p>Recommendation 2a has been completed; the Division plans to complete recommendations 2b and 2c by the end of 2013.</p>	<p>Recommendation 2b is partially complete; NORCOM is providing detailed billing specifying ALS costs; the EMS Division is reviewing dispatch expenses billed to ALS providers. Division staff are verifying that amounts billed by ALS providers to King County do not exceed amounts identified by NORCOM. Recommendation 2c is partially complete; ALS providers are using NORCOM's breakdown of costs for billing; outstanding is reviewing Vashon's billings from Valley Comm.</p>